

2004-2005 CAPITAL BUDGET

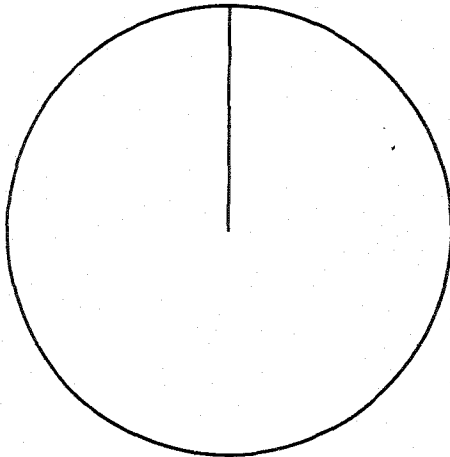
2005-2009 CAPITAL IMPROVEMENT PROGRAM

PARKING

PARKING CAPITAL PROGRAM

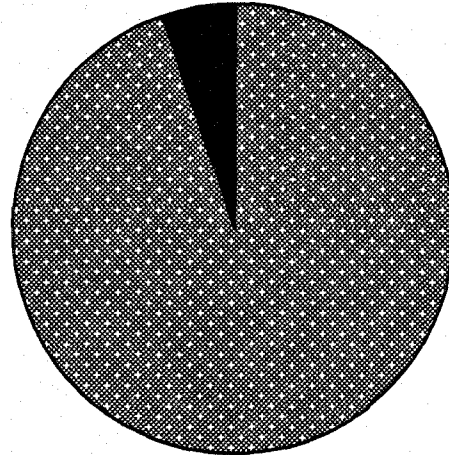
2005-2009 Capital Improvement Program

**2004-2005 Proposed
Source of Funds**



□ Transfer from General Purpose Parking Fund

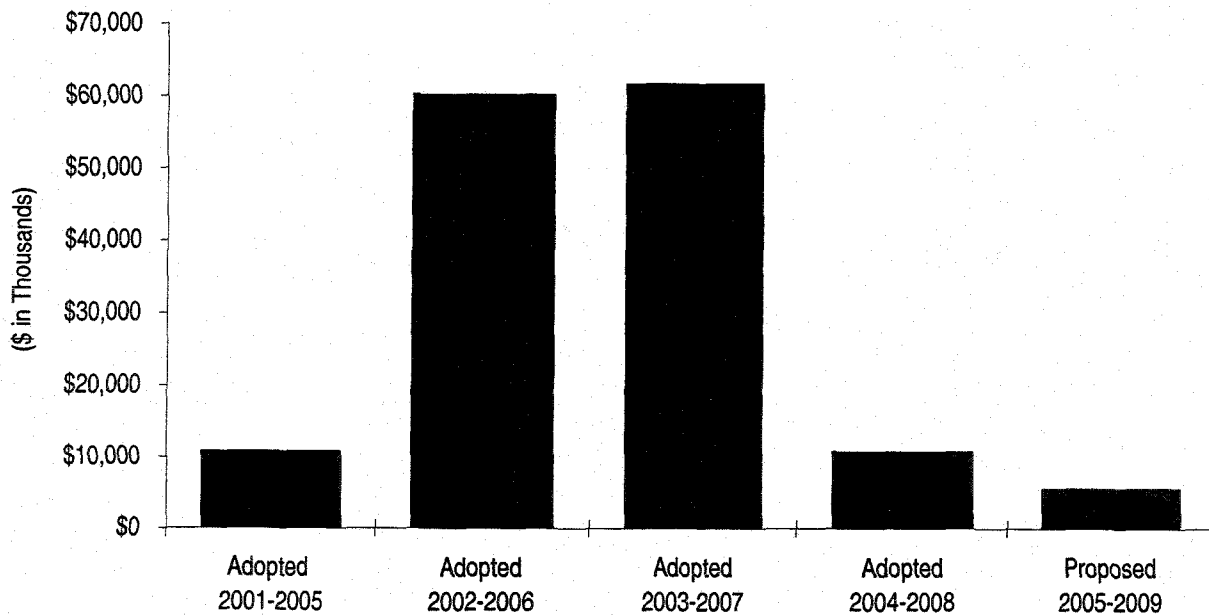
**2004-2005 Proposed
Use of Funds**



▨ Construction Projects

■ Non-Construction

CIP History



* In the Adopted Capital Budgets for 2002-2006 and 2003-2007, this program included the Civic Center Parking Garages. Beginning in 2004-2008, these garages are now included in the Civic Center Program.

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Overview

Introduction

The Parking Capital Program's primary responsibilities are to maintain and improve existing facilities, upgrade and replace both on-street and off-street parking equipment, and develop parking facilities. The off-street component of the program currently operates five garages and sixteen surface lots with approximately 7,300 parking spaces, mostly in downtown. The on-street component currently operates approximately 2,100 metered parking spaces in the areas of downtown, Japantown and the Civic Center. The 2005-2009 Proposed Capital Improvement Program (CIP) provides funding of \$5.73 million, of which \$1.4 million is programmed in 2004-2005.

This program is part of the Transportation Services City Service Area (CSA) and supports the outcome: *Provide Safe, Efficient, Neighborhood-Friendly Transportation Operations, and Preserve and Improve Transportation Assets to Enhance Community Livability.*

Program Priorities and Objectives

As part of the implementation of the San José Redevelopment Agency's (SJRA's) Strategy 2000 – Greater Downtown Strategy for Development, a Parking Management Plan was developed in 2001 to address both short-term and long-term parking needs.

The Parking Management Plan anticipated that in the short-term (by 2005) approximately 3,125 new parking spaces would be needed to meet short-term downtown growth. This figure is comprised of lost parking spaces due to developments (approximately 2,000 spaces) and additional peak demand that would be

generated by downtown growth (approximately 1,125 spaces). The Parking Management Plan also identified the long-term need for an additional 1,500 spaces that would be required in off-site peripheral locations to accommodate future office development. Therefore, it was anticipated that by 2008 the demand for new parking spaces would total about 4,625 spaces.

Since its approval in 2001, the priority, need and schedules of specific projects identified in the Parking Management Plan have been impacted by the downturn in the economy as well as by changes in the supply of parking. Downtown office vacancy rates, currently at above 20%, have reduced demand for parking since 2001, and demand is expected to remain flat through 2007. At the same time, the 4th and San Fernando Garage added 750 new parking spaces in 2003 and the New Civic Center Garages will provide an additional 1,500 parking spaces available for public use parking on the evening and weekends.

As a result of the changing environment since the Parking Management Plan was approved, the City Council/SJRA Board directed staff, in coordination with the Downtown Parking Board, to track key economic and parking information and report back during the 2004-2005 budget process. The information will be submitted to the City Council as a Manager's Budget Addendum and will include "triggers" that will provide the basis to determine when to move forward on key parking priorities in the Parking Management Plan.

Sources of Funding

All projects in the 2005-2009 Proposed Parking CIP are funded from parking meter

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Overview

Sources of Funding (Cont'd.)

and facility revenues that exceed the amount needed for ongoing operations and maintenance. In the 2005-2009 Proposed CIP, total funding of \$5.7 million is provided from these sources. This amount is \$5.1 million lower (47.1% lower) than the \$10.8 million contained in the 2004-2008 Adopted CIP for these purposes.

Additional funding for future parking facilities was to be provided by the SJRA, but due to the economic environment, the planning of new parking garages in the downtown is currently on hold. In addition, parking meter and facility revenues have been negatively impacted by the economic downturn, as lower activity in the downtown has depressed parking income. Further discussion of revenues and parking investment strategies can be found in the 2004-2005 Operating Budget in the Transportation Services CSA's Parking Services Core Service section.

Program Highlights

Downtown Parking Garages

The Parking Management Plan identified two specific sites as being the highest priority for the construction of additional parking facilities in the downtown. The 2002-2003 Adopted Capital Budget included a payment of \$7.75 million from the General Purpose Parking Fund's reserves to the SJRA to assist in financing land acquisition, design and construction of the additional parking garages. Due to the prolonged economic downturn, the planning of the parking garages has been put on hold, reflecting lower demand and a deteriorated financial situation of the SJRA.

The General Purpose Parking Fund has retained within its fund balance over \$8 million in reserves until sufficient parking demand is created and a funding package is developed to finance the construction of an additional parking garage.

Third Street Garage Seismic Upgrade

Construction began on the Third Street Garage seismic upgrade project in 2002-2003 and is expected to be completed in the fall of 2004. The project was undertaken to ensure maximum safety in the event of an earthquake by updating the facility to meet current building codes, and to meet the long-term life expectancy of the facility. With replacement costs for parking spaces downtown in the \$30,000 to \$50,000 range, the investment in the 856-space facility is justified.

Revenue Control Equipment Replacement and Integration

The first phase of the Revenue Control Equipment Replacement and Integration project will upgrade equipment at the Convention Center, Third Street and Market/San Pedro garages. The existing equipment at these facilities is outdated, unreliable and it is becoming increasingly difficult to repair and obtain replacement parts. The upgrade will also offer customers more convenient pay options, such as credit cards. This phase of the project is expected to become fully operational by the second quarter of 2004-2005.

Parking Guidance System

The Parking Guidance System (PGS) project will be an important operational tool to

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Overview

Program Highlights (Cont'd.)

Parking Guidance System (Cont'd.)

improve access to parking in the downtown. The first phase of the PGS will inform motorists of real-time parking space availability using electronic message signs located at the entrances to the City's downtown parking facilities. This phase is expected to become operational in winter 2004.

Major Changes from the 2004-2008 Adopted CIP

Major changes from the 2004-2008 Adopted CIP include the following:

- Revenue Control Equipment Replacement and Integration project funding was increased by Council action in 2003-2004 by \$318,856 to provide resources to include the installation of new revenue control equipment in the Market/San Pedro garage. As a result of these changes

as well as lengthy negotiations with stakeholders, the project schedule has been deferred by half a year, and the garage is now projected to be operational by winter 2004. In addition, new funding of \$700,000 is proposed in this document to replace revenue control equipment at surface parking lots and the Second/San Carlos Garage. This new funding is recommended due to the expected life cycle of the current equipment.

Operating Budget Impact

One project in the 2005-2009 Proposed Parking CIP is anticipated to have an impact on the operating budget. The Revenue Control Equipment Replacement and Integration project is expected to reduce operating and maintenance costs, and to increase revenues by approximately 4%. All of the costs and revenue offsets impact the General Purpose Parking Fund and do not impact the General Fund. Additional detail on the operating budget impact is displayed in the Project Detail Pages.

Net Operating Budget Impact Summary

| | <u>2005-2006</u> | <u>2006-2007</u> | <u>2007-2008</u> | <u>2008-2009</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| Revenue Control Equipment Replacement and Integration | \$ (69,000) | \$ (71,000) | \$ (74,000) | \$ (77,000) |
| Total | \$ (69,000) | \$ (71,000) | \$ (74,000) | \$ (77,000) |

Note: The estimated operating costs have been provided by the Department of Transportation and have not yet been fully analyzed by the Budget Office. That analysis may well result in different costs when the actual budget for the year in question is formulated.

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

PARKING

SOURCE OF FUNDS

USE OF FUNDS

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period.

Parking Capital Program
2005-2009 Proposed Capital Improvement Program
Source of Funds

| SOURCE OF FUNDS | Estimated 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 5-Year Total |
|---|--------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <u>General Purpose Parking Fund</u> | | | | | | | |
| Contributions, Loans and Transfers from: | | | | | | | |
| <u>Special Funds</u> | | | | | | | |
| - General Purpose Parking Fund | 5,517,000 | 1,351,000 | 2,172,000 | 562,000 | 565,000 | 1,077,000 | 5,727,000 |
| Total General Purpose Parking Fund | 5,517,000 | 1,351,000 | 2,172,000 | 562,000 | 565,000 | 1,077,000 | 5,727,000 |
| TOTAL SOURCE OF FUNDS | 5,517,000 | 1,351,000 | 2,172,000 | 562,000 | 565,000 | 1,077,000 | 5,727,000 * |

* The 2005-2006 through 2008-2009 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Parking Capital Program
2005-2009 Proposed Capital Improvement Program

Use of Funds

| USE OF FUNDS | Estimated 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 5-Year Total |
|--|--------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <u>Construction Projects</u> | | | | | | | |
| Parking Guidance System | 668,000 | | 1,500,000 | | | | 1,500,000 |
| 1. 3rd Street Garage Seismic Upgrade | 2,163,000 | 481,000 | | | | | 481,000 |
| 2. Facility Improvements | 700,000 | 700,000 | 500,000 | 500,000 | 500,000 | 500,000 | 2,700,000 |
| 3. Revenue Control Equipment Replacement and Integration | 1,893,000 | 100,000 | 100,000 | | | 500,000 | 700,000 |
| Total Construction Projects | 5,424,000 | 1,281,000 | 2,100,000 | 500,000 | 500,000 | 1,000,000 | 5,381,000 |
| <u>Non-Construction</u> | | | | | | | |
| General Non-Construction | | | | | | | |
| Budget Office Capital Program Staff | 15,000 | 16,000 | 17,000 | 18,000 | 19,000 | 20,000 | 90,000 |
| CIP Action Team | 37,000 | 27,000 | 38,000 | 26,000 | 27,000 | 37,000 | 155,000 |
| Information Technology Staff | 41,000 | 27,000 | 17,000 | 18,000 | 19,000 | 20,000 | 101,000 |
| Total General Non-Construction | 93,000 | 70,000 | 72,000 | 62,000 | 65,000 | 77,000 | 346,000 |
| Total Non-Construction | 93,000 | 70,000 | 72,000 | 62,000 | 65,000 | 77,000 | 346,000 |
| Ending Fund Balance | | | | | | | * |
| TOTAL USE OF FUNDS | 5,517,000 | 1,351,000 | 2,172,000 | 562,000 | 565,000 | 1,077,000 | 5,727,000* |

* The 2004-2005 through 2007-2008 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of same funds.

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

PARKING DETAIL OF CAPITAL PROJECTS

The Detail of Capital Projects section provides information on the individual capital projects with funding in 2004-2005, including the following: project name, City Service Area (CSA) and CSA Outcome supported by the project, responsible department, Council District, project location, project description, project start and completion dates, project justification, project costs by type of expenditure, funding sources for the project, and the annual operating budget impact. On the Use of Funds statement, these projects are numbered.

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Detail of Capital Projects

1. 3rd Street Garage Seismic Upgrade

| | | |
|--------------------------|--|---|
| CSA: | Transportation Services | Initial Start Date: 3rd Qtr. 2002 |
| CSA Outcome: | Provide Safe, Efficient, and Neighborhood-Friendly Transportation Operations Preserve and Improve Transportation Assets to Enhance Community Livability | Revised Start Date: 1st Qtr. 2003 |
| Department: | Transportation | Initial Completion Date: 3rd Qtr. 2003 |
| Council District: | 3 | Revised Completion Date: 4th Qtr. 2004 |
| Location: | City Parking Lots and Structures | |
| Description: | This project provides funding for design and construction expenses for the seismic upgrades to the 3rd Street Garage. | |
| Justification: | Seismic upgrades are required to address moderate seismic risks identified in structural review and analysis conducted. | |

| EXPENDITURE SCHEDULE (000'S) | | | | | | | | | | | |
|--|-------------|---------------|------------------|------------|---------|---------|---------|---------|--------------|---------------|---------------|
| Cost Elements | Prior Years | 2003-04 Appn. | 2003-04 Estimate | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 5-Year Total | Beyond 5-Year | Project Total |
| Development | 20 | | | | | | | | | | 20 |
| Design | 9 | 276 | 276 | | | | | | | | 285 |
| Construction | | 2,368 | 1,887 | 481 | | | | | 481 | | 2,368 |
| TOTAL | 29 | 2,644 | 2,163 | 481 | | | | | 481 | | 2,673 |
| FUNDING SOURCE SCHEDULE (000'S) | | | | | | | | | | | |
| General Purpose | 29 | 2,644 | 2,163 | 481 | | | | | 481 | | 2,673 |
| Parking Fund | | | | | | | | | | | |
| TOTAL | 29 | 2,644 | 2,163 | 481 | | | | | 481 | | 2,673 |
| ANNUAL OPERATING BUDGET IMPACT (000'S) | | | | | | | | | | | |
| None | | | | | | | | | | | |

Major Changes in Project Cost:

2004-2008 CIP - Increase of \$1.423 million to overall project costs based on identification of additional needs during design phase to insure the structure meets current building codes.

Notes:

| | | | |
|--------------------------------|-------------|----------------------------|-----|
| FY Initiated: | 2002-2003 | Redevelopment Area: | Yes |
| Initial Project Budget: | \$1,250,000 | SNI Area: | N/A |
| Appn. #: | 4416 | | |

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Detail of Capital Projects

2. Facility Improvements

CSA: Transportation Services **Initial Start Date:** Ongoing

CSA Outcome: Provide Safe, Efficient, and Neighborhood-Friendly
Transportation Operations **Revised Start Date:**
Preserve and Improve Transportation Assets to **Initial Completion Date:** Ongoing
Enhance Community Livability **Revised Completion Date:**

Department: Transportation

Council District: 3

Location: City Parking Lots and Structures

Description: This project provides funding for facility improvements including lighting, cleaning, and painting to upgrade and maintain parking facilities.

Justification: Preventive work is needed to improve and prolong the useful life of existing facilities.

| EXPENDITURE SCHEDULE (000'S) | | | | | | | | | | | |
|--|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements | Prior Years | 2003-04 Appn. | 2003-04 Estimate | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 5-Year Total | Beyond 5-Year | Project Total |
| Bid & Award | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 250 | | |
| Construction | | 938 | 650 | 650 | 450 | 450 | 450 | 450 | 2,450 | | |
| TOTAL | | 988 | 700 | 700 | 500 | 500 | 500 | 500 | 2,700 | | |
| FUNDING SOURCE SCHEDULE (000'S) | | | | | | | | | | | |
| General Purpose | | 988 | 700 | 700 | 500 | 500 | 500 | 500 | 2,700 | | |
| Parking Fund | | | | | | | | | | | |
| TOTAL | | 988 | 700 | 700 | 500 | 500 | 500 | 500 | 2,700 | | |
| ANNUAL OPERATING BUDGET IMPACT (000'S) | | | | | | | | | | | |
| None | | | | | | | | | | | |

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated: Ongoing **Redevelopment Area:** Yes

Initial Project Budget: **SNI Area:** N/A

Appn. #: 4111

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Detail of Capital Projects

3. Revenue Control Equipment Replacement and Integration

CSA: Transportation Services **Initial Start Date:** 4th Qtr. 1996

CSA Outcome: Provide Safe, Efficient, and Neighborhood-Friendly Transportation Operations **Revised Start Date:** 4th Qtr. 1998

Preserve and Improve Transportation Assets to Enhance Community Livability **Initial Completion Date:** 1st Qtr. 1997

Transportation **Revised Completion Date:** 4th Qtr. 2009

Department: Transportation

Council District: 3

Location: Convention Center Garage, 3rd Street Garage, Market/San Pedro Garage, & Almaden/Woz Lot

Description: This project provides funding for the replacement of the parking Revenue Control System (RCS) at several garages and lots. In 2004-2005 and 2005-2006, funding is proposed for improvements to the Almaden/Woz Lot and for downtown parking meters, and in 2008-2009, for the 2nd/San Carlos Garage. Installation work is also partially funded by the Facility Improvements capital project.

Justification: This project enhances revenue collection and decreases labor costs.

| EXPENDITURE SCHEDULE (000'S) | | | | | | | | | | | |
|--|-------------|---------------|------------------|------------|-------------|-------------|-------------|-------------|--------------|---------------|---------------|
| Cost Elements | Prior Years | 2003-04 Appn. | 2003-04 Estimate | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 5-Year Total | Beyond 5-Year | Project Total |
| Construction | 649 | | | | | | | | | | 649 |
| Post Construction | | 150 | 150 | | | | | | | | 150 |
| Equipment | | 1,743 | 1,743 | 100 | 100 | | | 500 | 700 | | 2,443 |
| TOTAL | 649 | 1,893 | 1,893 | 100 | 100 | | | 500 | 700 | | 3,242 |
| FUNDING SOURCE SCHEDULE (000'S) | | | | | | | | | | | |
| General Purpose Parking Fund | 649 | 1,893 | 1,893 | 100 | 100 | | | 500 | 700 | | 3,242 |
| TOTAL | 649 | 1,893 | 1,893 | 100 | 100 | | | 500 | 700 | | 3,242 |
| ANNUAL OPERATING BUDGET IMPACT (000'S) | | | | | | | | | | | |
| Cost Offset | | | | | (16) | (16) | (16) | (16) | | | |
| Maintenance | | | | | (53) | (55) | (58) | (61) | | | |
| TOTAL | | | | | (69) | (71) | (74) | (77) | | | |

Major Changes in Project Cost:

2001-2005 CIP - Increase of \$858,000 due to scope refinements. 2005-2009 CIP - Increase of \$1.0 million to include the Market/San Pedro Garage, the Almaden/Woz Lot and parking meters throughout the downtown, and the 2nd/San Carlos Garage.

Notes:

FY Initiated: 1996-1997

Initial Project Budget: \$1,050,000

Appn. #: 6386

Redevelopment Area: Yes

SNI Area: N/A

2004-2005 CAPITAL BUDGET

2005-2009 CAPITAL IMPROVEMENT PROGRAM

PARKING

SUMMARY OF PROJECTS THAT START AFTER 2004-2005

The Summary of Projects that Start after 2004-2005 includes those projects that have funding budgeted starting after 2004-2005. On the Use of Funds statement, the projects in this summary is not numbered.

Parking Capital Program

2005-2009 Proposed Capital Improvement Program

Summary of Projects that Start after 2004-2005

Project Name: Parking Guidance System
5-Year CIP Budget: \$1,500,000
Total Budget: \$2,393,000
Council District: 3

Initial Start Date: 1st Qtr. 2001
Revised Start Date: 1st Qtr. 2002
Initial End Date: 1st Qtr. 2003
Revised End Date: 2nd Qtr. 2006

Description: This project provides funding for the Parking Guidance System (PGS). The purpose of the PGS is to direct motorists from freeway off-ramps, and along surface streets to available public spaces. Dynamic message signs will display real-time parking availability information. The first phase of the project included message signs affixed on the parking facilities, displaying the number of available parking spaces in the facility. The signs also display messages such as "open", "full" or "free parking." The second phase begins in 2005-2006 and will include roadway signs to direct motorists to the parking facilities. Dates displayed refer to Phase I, except for the revised end date, which refers to Phase II, which is proposed for addition as part of this budget.
